

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 05 GABORONE 000749

SIPDIS

DEPT FOR AF/S MOZENA
PLEASE PASS TO OPIC

E.O. 12958: DECL: 06/01/2015

TAGS: [PREL](#) [PGOV](#) [ECON](#) [PHUM](#) [KHIV](#) [BC](#)

SUBJECT: SCENESETTER FOR BOTSWANA PRESIDENT MOGAE'S JUNE 13
POTUS MEETING

REF: A. GABORONE 56

[B](#). GABORONE 667

[C](#). GABORONE 738

[D](#). GABORONE 651

Classified By: AMBASSADOR JOSEPH HUGGINS FOR REASONS 1.4 B AND D

[1](#). (U) SUMMARY: Botswana President Festus G. Mogae's June 13 meeting with President Bush provides an opportunity to affirm and advance Botswana's role as a partner in promoting peace, democracy and human rights in Africa, increasing economic growth through trade, and combating HIV/AIDS. Botswana's prudent management of its mineral resources and commitment to good governance have enabled it to achieve remarkable success in development and economic growth since it gained independence from the U.K. in 1966. In response to the rapid spread of HIV/AIDS in the country, the Government has taken bold measures to provide prevention, care and treatment services to its citizens. Reflecting the growing strain that HIV/AIDS has placed on the country's budget, the President has recently expressed his hope that foreign donors will not continue to "punish" Botswana for managing its affairs well by withholding development assistance. Mission has made clear that the US-Botswana partnership is predicated on shared democratic values. The continuation and strengthening of that relationship must be accompanied by the preservation of Botswana's democratic traditions and expansion of its role as a proponent of stability and democracy in the region, the continent and beyond. END SUMMARY.

BACKGROUND

[2](#). (U) When Botswana achieved independence from the United Kingdom in 1966, it was one of the ten poorest countries in the world. The country boasted a per capita income of less than USD 100, fewer than 8,000 meters of paved road and a handful of university graduates. Following the discovery of diamonds in 1967 and commencement of mining in 1971, this situation began to change. Unlike other nations blessed with great mineral wealth, the Government of Botswana ploughed its diamond revenues into investments in infrastructure, education and health care. Between 1967 and 1997, Botswana's economy grew at an average annual rate of nine percent. Education, while not compulsory, is free from Kindergarten through PH.D. This has helped Botswana achieve an adult literacy rate of 81 percent. By 2000, Botswana became one of the few developing countries to graduate to middle-income status. Today, this Texas-sized country of 1.7 million people now enjoys a per capita income of USD 4,800 and an investment grade sovereign credit rating at the "A" level. Botswana now faces the challenge of rectifying the skewed distribution of its national wealth, maintaining economic growth despite the loss of many of the country's most productive workers to HIV/AIDS, diversifying its economy, and meeting the high cost of providing various HIV/AIDS prevention and treatment programs.

DEMOCRACY & HUMAN RIGHTS

[3](#). (U) Botswana's remarkable development success is due primarily to its commitment to good governance. Transparency International has consistently ranked Botswana the least corrupt country in Africa. The Economic Freedom of the World Report lists Botswana as the continent's freest economy. Listed as number 18 in the report, Botswana is ranked higher than France, Germany and Japan. Botswana's democratic political culture is evidenced by its independent judiciary, a vibrant private press, and a range of political parties. These successes notwithstanding, Botswana faces some challenges in preserving and expanding its democratic traditions.

[4](#). (C) President Festus G. Mogae was re-elected President of Botswana on October 30, 2004 in Botswana's ninth parliamentary elections, in which the Botswana Democratic Party returned to power as it has in every election since independence. President Mogae's term will expire in 2008 but

he is widely expected to retire early, perhaps in 2007, to allow Vice President Seretse Khama Ian Khama two years in power before facing elections in 2009. Although Khama is widely revered as the son of Botswana's first President Sir Seretse Khama as well as being the Paramount Chief of the country's largest ethnic group, the Bamangwato, Khama is not universally liked or trusted. Many, including members of his own party, senior traditional leaders, journalists and human rights activists, worry that Khama lacks tolerance for dissent and respect for human rights (Refs A and B).

15. (U) Although Botswana has a commendable record of respecting human rights, two recent cases have aroused concern in the international community. In 2002, the Government of Botswana compelled the San/Basarwa ethnic minority residents of the Central Kalahari Game Reserve (CKGR) to relocate to settlements outside the park ostensibly to preserve the ecosystem within the CKGR, reduce the costs of providing public services to these communities and provide the group an opportunity to improve their wellbeing. Court hearings are currently underway in a legal challenge waged by some of those who were relocated and claim that their constitutional rights were violated. Bipartisan members of the United States Congress have written to President Mogae to express their concern that the relocation policy discriminates against a marginalized minority and threatens to eliminate their culture. Post anticipates a court ruling on this case within the next two months.

16. (U) On May 31, Botswana's High Court upheld as constitutional a February 18 deportation order against critical academic Professor Kenneth Good pursuant to President Mogae's declaring Good to be a prohibited immigrant (Ref C). Good was immediately detained by immigration officials and put on a plane to South Africa that evening. According to the Office of the President, Mogae had received reliable information that the seventy-year old professor posed a threat Botswana's national security. The High Court confirmed the constitutionality of a law which exempts the president from disclosing to the judiciary or to the public his reasons for declaring someone a prohibited immigrant. Although the fact that the High Court intervened on February 19 and insisted on hearing Good's allegations demonstrated the independence of the judiciary in Botswana, the outcome raised concerns about the protection of free speech and about the overwhelming power wielded by the executive in Botswana.

17. (U) Cognizant that Botswana's good governance made possible its development success, Mission has emphasized that Botswana's reputation as a liberal and stable democracy is its greatest asset. Its ability to attract foreign direct investment in the future will turn on its continued commitment to these values.

THE HIV/AIDS EPIDEMIC

18. (U) UNAIDS estimates that as many as 330,000 Batswana out of a population of 1.7 million are now living with HIV/AIDS; many are not aware of their status. The infection rate among pregnant women aged 15-49 is 37.4 percent. Officially, some 18 percent of all deaths in the country are due to AIDS, although the actual percentage is probably much higher. The size of the nation's growing orphan population, largely attributable to AIDS, is estimated at 112,000 but some predict that it could rise to as high as 214,000 by 2010. Over 207,000 Batswana have been tested (some more than once) since the inception of USG-funded "Tebelopele" voluntary counseling and testing centers. Eight of the sixteen "Tebelopele" sites were constructed using DoD Humanitarian Assistance funds managed by the Office of Defense Cooperation. The Peace Corps program, which encompasses fifty-eight volunteers, focuses exclusively on combating HIV/AIDS.

19. (U) President Mogae has called HIV/AIDS "the greatest challenge Botswana has faced," and has spearheaded a multi-sectoral strategy including prevention, care and treatment programs. A key component of the strategy is a free public anti-retroviral treatment program, the first of its kind and scale in the world. Nearly 43,000 patients currently receive treatment at government clinics throughout the country. An additional 6,000 people are treated through private medical schemes. Botswana also introduced routine testing for HIV/AIDS at government health facilities.

10. (U) Botswana's private/public partners in its overall efforts to combat HIV/AIDS include the U.S. Government (primarily through CDC, the Department of State, Peace Corps, the Department of Defense and USAID), Baylor University, Harvard University, Bristol Myers Squibb, the Bill and Melinda Gates Foundation, the Merck Foundation and a number of non-governmental organizations.

11. (U) A dozen international staff and more than one hundred

local technical and support staff work in the BOTUSA Project - a collaboration of the Botswana government and CDC. The BOTUSA Project provides technical assistance, consultation, and funding; implements programs; and conducts research with the Botswana Government and other local and international partners for the prevention, care, treatment and surveillance of HIV/AIDS, tuberculosis, and sexually transmitted diseases (STDs). All components of the Embassy work closely together in implementing the President's Emergency Plan for AIDS Relief, which provided more than USD 21 million in HIV/AIDS assistance in fiscal year 2004 and has doubled that assistance to more than USD 40 million in fiscal year 2005. The Emergency Plan is rolling out well in Botswana due in part to the consultative manner in which the U.S. Mission developed the program with the Government of Botswana, civil society and United Nations programs.

¶12. (U) Happily, some indicators suggest that the epidemic's rate of growth may be plateauing. Prevalence rates in government surveillance studies for 2001, 2002 and 2003 were 36.2 percent, 35.4 percent and 37.4 percent respectively. There also has been a decrease in rates of sexually transmitted diseases and some evidence of a decline in risky sexual behavior.

¶13. (U) However, even with support from numerous international donors, the cost of dealing with HIV/AIDS is taking a heavy toll. Announcing a budget shortfall for the third year in a row, President Mogae stressed that the cost of confronting HIV/AIDS, and associated costs such as developing HIV/AIDS medical infrastructure and caring for AIDS orphans and their elderly caregivers, caused a significant drain on the national budget. The GOB is contributing USD 140 million from its budget this year to combat HIV/AIDS. Indirect costs, such as lost productivity due to illness, compound the problem.

TRADE AND INVESTMENT

¶14. (U) Botswana is an economic success story due largely to its prudent fiscal and monetary policies. The Government ran balanced budgets for decades and only in the past five years has it encountered deficit budgets, due largely to the costs of fighting HIV/AIDS. Although a May 2005 devaluation of the Pula by 12.5 percent is likely to boost prices and shake investor confidence, the Bank of Botswana historically has kept the inflation rate relatively low and stable -- 7 percent for 2004. Consequently, Botswana enjoys a nominal per capita GNP of USD 4,800. In 2003/4, real GDP grew at 5.7 percent, down from 7.8 percent in 2002/3. The GOB projects that real GDP growth will slow to between 4 and 5 percent next year as a result of expected slow-downs in both mineral and non-mineral growth. These achievements notwithstanding, Botswana has one of the most skewed income distributions in the world, an unemployment rate of 24 percent (unofficial estimates are higher), and 30 percent of its population lives in poverty.

¶15. (U) To expand economic growth and reduce its dependence on diamonds, which account for 70-80 percent of all export earnings, one half of government revenues and one-third of Botswana's gross domestic product, the GOB set up an attractive tax regime, lifted foreign exchange controls, and established bodies to facilitate investment in Botswana. In July 2004, OPIC signed an investment guarantee with the Kalahari Gas Corporation and Covalent Energy Corporation from Virginia to develop Coal Bed Methane (CBM) gas reserves in eastern Botswana.

¶16. (U) In 2004, U.S. exports to Botswana totaled USD 51.6 million, while imports equaled USD 73 million, reflecting growth from 2003 of 98 percent and 433 percent, respectively. First quarter 2005 trade figures show continued growth in both U.S. exports (122 percent growth) and imports (61 percent growth) versus the first quarter of 2004. Botswana exported USD 20.1 million to the U.S. under AGOA in 2004, more than triple the figure for 2003. Botswana is looking to diversify into other AGOA-eligible products, such as leather and glass items, but has so far been unsuccessful.

BOTSWANA - INCOMING SADC CHAIR

¶17. (C) Botswana will take over from Mauritius as chair of the Southern African Development Community (SADC) at a regional summit in August 2005. Although the GOB is still putting together an agenda for its tenure as chair, it is likely to focus on putting SADC's internal affairs in order. SADC is in the process of constructing a new headquarters to replace the current premises which it overflowed years ago. The secretariat expects significant personnel turnover during 2005, which is likely to slow its operations. Botswana's Ministry of Foreign Affairs and International Cooperation is

concerned about SADC's backlog of unused development assistance from Europe and hopes to put that money to work in the coming year. As expected, initial indications from the MFA suggest that Botswana is not eager to use its chairmanship of SADC to pressure the Mugabe regime on the democracy and human rights front.

18. (C) The crisis in Zimbabwe continues to pose problems for Botswana, primarily through illegal immigration. Botswana's immigration authorities deported an average of 4,800 Zimbabwean border jumpers each month in 2004. Prior to the Zimbabwean election, which Botswana's observers legitimized as fair and reflective of the popular will, the GOB was harried by occasional criticism in the regional press, which the MFA suspected was planted by then Minister of Information and Publicity in Harare Jonathan Moyo (Ref D). Some of these articles took the GOB to task for constructing an 8-foot high, electrified fence along part of the Botswana-Zimbabwe border to prevent the transmission of disease to Botswana's cattle herd. Other news pieces targeted the International Broadcasting Board's station in Selebi-Phikwe (located in the northeastern part of the country) which broadcasts Voice of America programming into Zimbabwe. Although the Government of Zimbabwe reportedly raised concerns about these two issues, Botswana's MFA has received no new complaints since the March 2005 elections. The MFA hopes this presages a return to amicable relations with Zimbabwe.

19. (U) Botswana has been an active participant in the talks regarding a possible free trade agreement between the United States and the Southern African Customs Union (SACU). While SACU member states still have not yet arrived at common negotiating positions, the GOB is hopeful that the staffing of a SACU secretariat, completed in April of this year, will expedite that process. If the FTA negotiations succeed, the SACU countries would open up a USD 125 billion market of fifty million consumers to the U.S. private sector. An FTA would also help the SACU countries attract further foreign direct investment to the region in support of its economic diversification.

RELUCTANT PEACEKEEPER

20. (U) The Botswana Defense Force (BDF) is a small, professional, apolitical force that focuses on border defense but also meets new, non-traditional national and regional security challenges, such as apprehension of illegal migrants, disaster relief and anti-poaching. The U.S. is assisting Botswana with long-term peacekeeping capacity building via the Enhanced International Peacekeeping Capability (EIPC) program and the African Contingency Operations Training and Assistance (ACOTA) program. The ACOTA program has trained two BDF Infantry Battalions and will have trained a third by the end of September.

21. (C) Although Botswana has a proven record of accomplishment in past peacekeeping operations -- Somalia in 1992, Mozambique in 1993, Lesotho in 1998 -- it is reluctant to commit substantial resources to a peacekeeping operation (PKO) in Darfur or other hot spots in Africa. The Government of Botswana has articulated the following criteria for any PKO in which it would participate: the mission must be led by a Western Power, there must be a clear exit strategy and end state, the host country must specifically invite Botswana's participation, and the mission must be in the national interest of Botswana. According to the MFA, any such participation also must be politically salable at home. The GOB has indicated that a significant presence in Darfur would expose its forces to attacks from the Jangaweed militants as well as GOS military forces, a price it is not willing to pay. However, according to some senior BDF officers, the military understands the importance of PKOs and is preparing for its inevitable role in some future operation. Botswana has received three USG C-130s through excess defense articles sales. Botswana could carve out a niche in African peacekeeping by using its C-130s to move troops from their country to the country of the peacekeeping operation. This is a low risk mission both politically and militarily. But fall-out from Botswana's signing of the extremely unpopular Article 98 agreement on July 1 2003, still influences the Government's political willingness to accommodate the USG on PKO projects.

PARTNER IN WAR ON TERRORISM

22. (U) As one of the first countries to sign all 12 of the UN protocols on terrorism, the Government of Botswana recognizes that its good infrastructure and open economy could attract organizations seeking to use the country as a place to stage terrorist attacks. Mission is working with the Treasury Department's Office of Technical Assistance and

the GOB to initiate a program of assistance to enable the GOB to develop the capacity to prevent and prosecute acts of money laundering and financing of terrorism. The International Law Enforcement Academy, located outside Gaborone, has conducted training specifically addressing terrorist financing and provides other courses that deal with various aspects of counter-terrorism, such as border management.

PARTNERSHIP PREDICATED ON SHARED VALUES

123. (U) Mission has made clear through conversations with the GOB and via public outreach that its partnership with the people of Botswana is predicated on shared democratic values. The continuation and strengthening of our relationship must be accompanied by the preservation of Botswana's own democratic traditions and the expansion of its role as an active proponent of stability and democracy in the region, the continent, and beyond.

MOGAE LIKELY TO RAISE ASSISTANCE QUESTION

124. (U) During the May 17 - 19 visit to Botswana of President Pohamba of Namibia, President Mogae stated at a press conference that donor nations should not punish Botswana by withholding development assistance because it is now a middle-income country. This statement brought to the fore a sentiment previously expressed by various GOB officials that Botswana's good governance ironically appears to have had the regrettable affect, from Botswana's perspective, of drying up foreign assistance. President Mogae is likely to raise this point with President Bush, particularly stressing the costs of fighting HIV/AIDS, in making a case for reviving development assistance to Botswana.
HUGGINS